

1. Human mortality, whilst consisting of unpredictable individual events, has a statistical regularity when averaged across a large group. This makes possible a whole host of products, of which the annuity is one. The price of an annuity paying a fixed regular income for life is based upon the statistical life expectancy of the purchaser at the time the annuity is to begin. The company selling the annuity will benefit from all those customers that die earlier than predicted, while customers are attracted by the prospect of guaranteed income for as long as they live. Annuities have the disadvantage that the capital invested is unrecoverable (i.e. upon the death of annuitant nothing is left for the heirs), but that fact also enables annuities to guarantee higher payments than could be obtained if the same sum of money were invested at interest.

The heirs of a person who buy an annuity tend to be against the purchase. C

Essentially, the purchaser of an annuity is gambling that they will live long enough to receive a good return on their investment. C

Annuity returns are generally similar to returns from investing the money in an interest bearing accounts. B

2. In casual language, the terms theory and model are often used interchangeably. From a technical point of view there is an important difference. Theories provide a general framework, but because of the generality of the specification, a theory cannot be shown to be useful or useless until it is fully specified in the form of a model. A model, on the other hand, needs by definition to be formulated within the concepts, along with a set of assumptions about the concepts and their relationships. The appropriateness of a model must then be evaluated with respect to a particular set of test data. The evaluation may be done by conducting a suitably designed set of empirical investigations, by rational inspection of the model assumptions in relation to the test data, or ideally both.

In the strict sense, all models provide incomplete representations of the data to which they are fitted. Therefore the meaningful question is not whether a model is correct or incorrect, but rather whether the model fits the data well enough to be useful in guiding the process. Statistical evidence and judgment play important roles in answering that question.

It is more meaningful to look at the practical utility of a model than its absolute veracity. T

Most people fail to understand the difference between a theory and a model. C

A model can exist in the absence of a theory. B

3. Communication technologies are far from equivalent. A recent study comparing honesty across a range of different media revealed that people were twice as likely to tell lies when using the phone than when communicating via e-mail. It had previously been assumed that people would be more inclined to fabricate the truth when using e-mail, due to the

remoteness of the interaction making people more comfortable about deceiving others. On the contrary, it seems that anxiety over the accountability afforded by the recording of e-mail exchanges induces greater truthfulness. However, the research also noted that people are much more likely to be rude or insulting over e-mail, outweighing any benefits of increased honesty.

An implication of the study is that if telephone conversations are recorded and people are aware of this fact, they are likely to be more truthful over the phone. T

People are unconcerned about the repercussion of e-mail untruths. F

It had been assumed that people would communicate more honestly when using e-mail than when using the telephone. F

4. There is often considerable scientific disagreement both about available reserves of natural resources and about the extent of environmental damage caused by particular pollutants. Even where the scientific evidence is incontrovertible. There may be political conflict, based on different vested interests, over the degree to which particular environmental controls should be accepted. Governments may, for example, refrain from introducing effective control if they fear these will adversely affect company profitability or jobs, even where the environmental cost of not introducing controls are considerable.

There is always scientific debate around the facts regarding the reserves of natural resources. T

Very rarely is there conflict over the degree to which particular environmental controls should be accepted. F

Parties with a vested interest are more influenced by politics than science when deciding whether to implement environmental controls. T/C

5. Whilst high visibility crime such as night-time drunken disturbance has increased, total urban and rural crime, both reported and unreported, has fallen over the last two years, yet paradoxically people feel less safe, believing that the converse is the case. This fall in crime has coincided with a drop in the number of police officer on the street. A citizen's fear of crime seems not to be a matter of reality at all- the visibility of law enforcement officials has a greater impact on their view of reality than hard facts.

Reducing the number of police officer has led to a reduction in crime. C

Crime statistics support popular belief about the level of crime. F

People feel safer when there are more police on the street. C/T

6. There is no task more difficult than that of ensuring the education of children in modern society. Not only school, but also teachers and their roles have changed out of all recognition in the past few decades, thanks to the impact on teaching institutions by indoctrinating, and indoctrinated, reformist intellectuals bearing revolutionary ideas. To the perpetual indiscipline of youth has now been added the indiscipline of parents, many of whom interpret any reports of wrongdoing in school on the part of their offspring as a personal affront, or as the manifestation of the malice of teachers. As for the teachers themselves, whilst many are respectable and learned men and women, who view it as their vocation to induct their charges into a civilization and a way of behaving, others attempt to influence youth merely to further their political or ideological ends.

Some of those working in education have their own hidden agendas. T

Teacher with revolutionary ideas will attempt to influence their pupils for their own political ends. F

Some teachers who report children of wrongdoing do so because of malice, rather than any legitimate reason. C

7. Last week, the competition commission outlined two packages to regulate the sale of extended product warranties, which provide repair/replacement for faulty goods beyond the manufacturer's original guarantee. Whilst warranty sales are currently highly profitable, with some retailers attributing up to $\frac{3}{4}$ of their profits to this income stream, they are also criticized for offering poor value for money due to obscure clauses, which restrict payment in many, but the most unlikely claim scenarios. The first package-to ban retailers selling a full warranty on the day of purchase-was condemned by all as draconian-while the other, rather milder, option of forcing retailers to provide full information on warranty exclusions and an obligatory 60-day "cool-off" period for customers, received a more balanced hearing.

Because no one believes that the first option will ever be implemented, investors and analysts have focused more closely on the implication of the "milder" package. In a recent leaked research note, one analyst suggested that the implementation of the reform in the second package would place a staff-training burden on the retailer, which would lead to a significant increase in the cost of warranty sales, and a predicted 20% fall in actual sales.

"Cool-off" periods are not currently offered by companies selling product warranties. T

It is likely that neither package will be implemented. C

Preventing retailers from selling warranties on the day of purchase of a product was felt to be too severe a restriction. T

8. All scientific knowledge is provisional. Everything that science knows, even the most mundane facts and long-established theories, is subject to re-examination as new

information comes in. the latest data and ideas are scrutinized the most. Some recantations will be unavoidable, but this is not a weakness of science, but rather its strength. No endeavor rivals science in its incremental progress towards a more complete understanding of the observable universe.

Science improves understanding on the basis of leaving unchallenged those theories that appear to work. F

Some facts in science cannot be challenged if any progress is to be made. F

That which is not observable cannot be part of the domain of science. C

9. The Statute on workplace safety requires that an employer should ensure, so far as is reasonably practicable, the health, safety and welfare at work of all full and part time employees, and also those not in direct employment who may be affected by acts or omissions at work. However, it is also the duty of employees to take reasonable care for their own health and safety and also that of other persons who may be affected by their acts or omissions at work, for example by complying with all notices on health and safety that are posted.

If a workplace visitor is hurt due to an act of negligence by an employee then the employee may be held solely responsible. F

An employer has responsibility for the safety of visitors to his factory. T

Employees have negligible responsibility for workplace health and safety. F

10. Today's historians aim to construct a record of human activities and to use this record to achieve a more profound understanding of humanity. This conception of their task is quite recent, dating from the development from 18th and early 19th centuries of scientific history, and cultivated largely by professional historians who adopted the assumption that the study of natural, inevitable human activity. Before the late 18th century, history was taught in virtually no schools, and it did not attempt to provide an interpretation of human life as a whole. This is more appropriately the function of religion, of philosophy, or even perhaps of poetry.

That which constitutes the study of history has changed over time. T/C

Professional historians did not exist before 18th century. C

In the 17th century, history would not have been thought of as a way of understanding humanity. T

11. Whilst having similar effects on employees, there tend to be major difference between a merger and an acquisition. In an acquisition, power is substantially assumed by the new parent company. Change is often swift and brutal as the acquirer imposes its own control systems and financial restraints. Parties to a merger are likely to be evenly matched in terms of size, and the power and cultural dynamics of the combination are more ambiguous, integration is a more drawn out process.

During an acquisition, there is often more overt conflict and resistance and a sense of powerlessness. In mergers, because of the prolonged period between the initial announcement and full integration, uncertainty and anxiety continue for a much longer time as the organization remains in a state of limbo.

There tends to be a major power difference between parties in an acquisition. T

Mergers and acquisition tend to have distinctly different impacts on employees. F

Mergers yield a shorter period of anxiety and uncertainty amongst employees. F

12. Management is, in effect, the catalyst that is essential for converting the resources and raw material inputs of the operation into valued outputs and, in the process, ensuring that stakeholder needs are satisfied. Managers represent the critical factor, which economists refer to as “enterprise”, without which the other factors (land, labor and capital) cannot function. Managers are effectively the custodians of the organization’s resource, responsible for deciding what the resources should be used for, how best to use them, and to which customers the outputs should be targeted.

Stakeholder needs are best served through the creation of valued outputs. C

Management has at least two major but different responsibilities. T

Managers must decide how best to handle all the resources at their disposal. T

13. There is no doubt that vegetarian food can be healthier than a traditional diet – indeed, research has demonstrated that vegetarians are less likely to suffer from heart disease and obesity than those who eat meat. One long-standing concern about a vegetarian lifestyle is the risk of failing to take in enough protein. However, historical calculations as to the amount of protein needed for a healthy lifestyle have recently been shown to overestimate the quantities needed, and if vegetarian select their food carefully they should be able to meet their protein needs.

A balanced diet is more likely to promote health than any particular food or food group in isolation. C/B

Too much protein in the diet can lead to heart disease. C

Over time the recommendations as to what constitutes a healthy balanced diet have changed. C

14. Water, the most common liquid used for cleaning, has a property called surface tension. Molecules in the body of the water are surrounded by other molecules, but at the surface a “tension” is created as molecules are only surrounded by other molecules on the waterside. This tension inhibits the cleaning process, as it slows the wetting of surface due to tension causing the water to bead up. This is where water droplets hold their shape and do not spread. For effective cleaning to take place “surface tension” must be reduced so that water can spread. Surface-active agents, or surfactants, are chemicals, which are able to do this effectively.

Surface-active agents, or surfactants, are only used for cleaning. C

Water is the only known liquid used for cleaning. F

If surfactant chemicals are added to water when cleaning a surface, surface tension will occur. F

The molecules on the waterside hinder the cleaning process. C/T

15. The biggest risk facing the world’s insurance companies is possibly the rapid change now taking place within their own ranks. Sluggish growth in core markets and intense price competition, coupled with shifting patterns of customer demand and the rising cost of losses, are threatening to overwhelm those too slow to react.

Insurance companies are experiencing a boom in their core markets. F

Insurance companies are competing to provide best prices to customers. T

Insurance companies are coping well with increased price competition and rising losses. F

16. Short-sightedness is to a large extent inherited, its incidence varies from one family to another. The reason behind the link between the common incidence of short-sightedness and high intelligence is unclear. Previous generations thought that eyes could become strained by years spent poring over books, but a few decades ago the popular medical view was that short-sighted people gravitated towards the library because they found it hard to excel at sports. Recently there has been partial support for a theory that high intelligence and short-sightedness may, in fact, be part of a genetic package.

The genetic link between intelligence and short-sightedness has recently been disproven. C

People from all families stand an equal chance of being short-sighted. F

Intelligence is to a large extent inherited C

17. The cosmic microwave background (CMB) radiation is the afterglow from the Big Bang, and weak as it may be today, these primeval microwaves hold valuable information about fundamental properties of the early universe. Slight differences, or anisotropies, in the brightness and polarization of the CMB reveal clues about the nature of the primeval plasma: that the discrepancies exist at all shows that the plasma was not perfectly uniform. The variations in the brightness seen in the CMB reflect differences in the density of the primordial plasma, whereas the anisotropic polarization reveals information about the dynamics of the early universe, such as the movement of material and the number of gravitational waves. The CMB, however, is not the only source of polarized microwaves and the cosmological polarization must thus be measured at different wavelengths so as to isolate them from foreground signals.

The anisotropies of the CMB show solely that the primordial plasma was not uniform. F

The polarization of cosmic microwaves is measured at different wavelength so as to separate the foreground from the background signals. T

Through studying the cosmological microwaves, one may learn about the forces of gravity in the early universe. C

18. Internet experts are warning of a new multitude of extremely dangerous computer viruses that have recently been causing devastation and could potentially cripple entire global computer systems. These viruses can replicate thousands of copies within hours and are capable of extirpating security software that, in turn, enables hackers to appropriate control of the machines. Criminal gangs can then establish bank accounts using stolen identities, sabotage a company's computer system and extort money for its restoration, and sell computers that have been interfered with on the black market. Computer users are often advised to refrain from opening suspicious program attached to the emails and to continually update their security software.

Internet experts are advising computer users to replace their software if they suspect it has been tampered with. C

19. For most people, any reference to hypnosis brings to mind images of individuals involved in amusing, and often out of character, behavior. However, hypnosis is also a topic of scientific research. Research by scientists over the last few decades has revealed ways in which memory processes, and processes involved in pain perception can be changed using hypnosis. It has also been found that hypnotic suggestions can regulate activity in identifiable sections of the brain and can contribute to the effective management of cognitive conflict. Findings from several related brain imaging studies, for example, have suggested that people under hypnosis cab exhibit reduced level of brain activity in both

visual area and the anterior cingulate cortex. Disparate research has already established the role of these brain structures in the monitoring the cognitive conflict.

20. Workers are becoming increasingly concerned about company relocation due to its association with employee distress and isolation, which can be caused by issues such as the management of property transitions and loss of community ties. Furthermore, moving home can put a strain on worker's financial resources and close relationships, especially for those working parents who may feel guilty about moving children to new schools. Regardless of the disruption created, some individuals are very willing to relocate, due to the potential for enhanced career prospects and long-term financial stability.

Some people may feel guilty about the consequences of relocating. T

Company relocation has increased. C

The potential benefits of job relocation are seen, by some, to be worth the associated distress and strain. T

21. Political, economic and demographic developments are combining to increase the wealth of individuals leading economies. These individuals take a much more active role in managing their personal financial affairs and in determining how their assets should be invested for their long-term benefit. As a result, we are seeing the emergence of a new market, consisting of so-called "affluent individuals". This structural trend is set to continue and will provide significant opportunities for financial services providers. This band of individuals has traditionally been dominated by old money inheritance, and this will remain a factor, but the rise of new affluent money is increasing as individuals benefit from higher salaries and compensation in the form of stock options. These new affluent individuals are also creating wealth as small business entrepreneurs.

Affluent individuals want to manage their own assets rather than use financial service providers. F

Individuals cannot become "affluent" through inheriting old money. F

Inherited old money will be completely replaced by new affluent money. F

22. At the moment of GTC, like other European producers, is able to relieve at least some of its over-capacity by exporting, partly to Central America. A decade from now, that region will be largely self-sufficient and trade will be starting to flow the other way. However, for GTC investors, the company's recent restructure could herald better times. The group's lack of focus and lack-lustre returns have been much criticized of late.

Central America will, in the future, begin to export less to Europe. F

Central American producers will find a ready market for their products in Europe. C

Restructuring generally produces an increase in profitability. C

23. The increasing fragility of the rural economy will be the biggest challenge facing country communities over the next ten years. Agriculture, which accounts for a quarter of rural job, is in decline. Tourism provides no more than half this number of job. The rural manufacturing sector, however, has grown over last ten years. Despite this, it still employs fewer than one in twenty people living in rural area, and is threatened by companies based in industrial areas, which benefit from access to a larger skilled workforce and better transportation networks.

Industries based in rural areas benefit from better transport links. F

Manufacturing provides the fewest jobs in the countryside. C

The manufacturing sector is likely to be the main source of employment for rural workers in the future. C

Industries based in rural areas suffer from poorer transport links. T

24. In recent years, many issues have been considered when attempting to ameliorate the wellbeing of patients and the efficiency of hospital administration. Patients have often complained about endless waiting lists, low standards of cleanliness, poor hospital food, and unsatisfactory doctor-patient communication and now, according to an expert from a leading image consultancy, doctors' dress codes and their general appearance must come under close scrutiny. Of healthcare professionals have an unwashed appearance, dirty nails or unkempt hair, this exudes the impression of recklessness, wearing red reminds patients of blood, and power dressing is discouraged because patients may feel undermined and less relaxed. Although campaign groups approve of healthcare professionals leading by example with high standards of hygiene in hospitals, some individuals argue that this potential new image legislation is merely a case of jumping on the bandwagon of the current media trend for home and lifestyle makeovers.

Individuals have argued that the current media trend for lifestyle makeover is direct result of the concern over the image of new legislations. F

New hospital legislation states that healthcare professionals must have clean fingernails. T

It is always preferable for healthcare professionals to wear blue instead of red. C

25. Financial fraud is a crime of growing significantly. In 2003, 8% of reported business-related crimes was fraud, averaging \$35000 in losses. By 2005, whilst financial fraud was found to be the sixth-most frequent crime, it was the third-highest concern amongst business leaders. Researchers found that, globally, internet-based fraud was rising

dramatically in 2005. The main reasons for fraud included poor supervision and lack of proper division of duties, inadequate control of access to system, and poor authorization controls. Internal detective measures uncovered less than half of the cases, with an increasing number of cases being discovered by accident. One third of the cases were committed by managerial-staff, while half were committed by non-managerial staff.

Detective methods were operating very effectively in 2005. F

Over half of all cases of fraud in 2005 were discovered by accident. C

Business leaders are more concerned about financial fraud than before because of the growth of the Internet. C

26. One of the great paradoxes of entrepreneurship is that entrepreneurs must develop the capacity to engage the urgent with the emergent. Routine pressures force us to allow the urgent to dominate us, quarterly reports, market share, and tangible return on investment become paramount in this paradox, emergent (strategic) issues are often lost.

The urgent presents itself in tangible shape and form, whereas the emergent is subtler in its appearance. Entrepreneurs need to pre-sense emergent reality, thus they require more than ordinary attentiveness. However, information consumes the attention of the recipient, and urgent information is by nature more demanding of attention than emergent. Yet it is an awareness of the emergent that frequently distinguishes the successful leader, the individual who can see through the reactive demands of day-to-day urgency to act rapidly upon the emergent trends that, if capitalized upon, can ensure commercial triumph. One way of ensuring time to identify the emergent is to make time for reflective moments in work life in order to restore the quality of attentiveness and see through the fog of the immediate.

It is easier to spot an emergent trend an urgent issue. F

The present tends to be governed by the immediate demands. T

It is easy to lose sight of the strategic issues given the demands that immediate issues make. T

27. Some doctors claim that any information received from a patient during a medical consultation is subject ethically to absolute confidentiality and can in no circumstance be revealed without the patient's permission. Without such a rule, they believe that patients would not supply all of the information needed to treat them. Most however, believe that their obligations to society override their obligations to their patients; for example, being prepared to report to the police a patient who persisted in driving, despite the existence of a condition that rendered them unsafe. One reason for such a conflict is that whilst courts

recognize the confidentiality of exchange between lawyers and clients, this is not extended to doctor and patients.

A doctor would report to the police a patient who was a danger to others. A

28. Private airline companies have always been determined to operate a transport system that is safe for passengers, whilst still remaining competitively priced and commercially viable. However, a private sector business can only remain viable if it generates profits for its shareholders. Recent reports suggest that if all aircrafts were fitted with military derived ground-to-air missile defense system, and at all airports there was infallible screening for weapons and explosives then the system would be much safer. However, totally effective screening would preclude all possibility of profit, and current systems are still very thorough, whilst also providing a good cost-benefit ratio.

More effective airline security system than are currently in use are available. A

29. Full employment is a concept, which is often referred to but seldom defined. Beveridge's description comes close to what most economists understand by the term. In his view full employment means that "unemployment is reduced to short intervals of standing by, with the certainty that very soon one will be wanted in one's old job again or will be wanted in a new job that is within one's powers." In other words, full employment does not mean zero unemployment, but allows for some measure of acceptable unemployment, for example, "frictional" unemployment whilst changing jobs.

Definitions of full employment are abundant. F

Some economists do not understand full employment in Beveridge's terms. T/C

In B's view, full employment incorporates those unemployed people who are certain to regain work very shortly. T

30. The typical share-save scheme is a regular savings plan that gives employees the opportunity to purchase shares in 3.5 or 7 years time, should they choose to exercise the purchase option, at a discounted price fixed before the saving period starts. In addition to potential financial gains, the employee also has the opportunity to participate in future company development through the acquisition of shares. The employee does not have to pay income tax on any gains made on the exercise of the option to buy shares, though there may be a liability to capital gains tax if the shares are sold and the resulting gains cause that particular employee's level of capital gains liability to exceed the annual exempt amount.

Employees usually exercise the option to sell their shares at the end of the saving period.

Employees do not automatically have to pay Capital Gains Tax as a consequence of participating in share-save scheme.

Individuals who sell shares generate no potential tax liability. C

31. Staff monitoring is a particularly issue for managers – the only kind of staff monitoring not subject to regulation is where one individual watches another. Once any recording starts, even if it is manual, monitoring is subject to the Data Protection Act – employees need to be told about monitoring takes place and why. The information gathered has to be kept secure, and affected staffs have the right to see information related to them. Whilst a person's consent is not required, he or she must be consulted about the processing of personal information (monitoring data is construed as "personal"), and monitoring practices must not cause unnecessary stress. However, covert monitoring without consultation may be used, but only in particularly serious circumstances, such as when a staff member is suspected of dishonest. In such a case, the covert surveillance (e.g. hidden cameras) must be in targeted areas and at times when the dishonest behavior is expected- any other information must be disregarded.

It is not possible to avoid the Data Protection Act when monitoring staff. F

Managers find it difficult to justify the use of covert monitoring procedures. C

Any employee in a building where monitoring is taking place may see all of the information collected. F

32. Without exception, living non-human primates habitually move around on all fours, or quadrupedally, when they are on the ground. Scientists generally assume therefore that the last common ancestor of humans and chimpanzees (our closest living relative) was also a quadruped. Exactly when the last common ancestor lived is unknown, but clear indications of bipedalism, the trait that distinguishes ancient humans from other apes, are evident in the oldest known species of Australopithecus, which lived in Africa roughly four millions years ago.

Bipedal apes are more evolutionarily advantaged than quadrupedal ones. C

Bipedalism is the main trait that distinguishes ancient humans from Australopithecus. F

Australopithecus is as closely related to ancient man as to the chimpanzee. C

33. A new computer program can tell whether a book was written by a man or a woman. The simple scan of key words and syntax is about 80% accurate on both fiction and non-fiction. The program's success seems to confirm the stereotypical perception of differences in male and female language use. Crudely put, men talk more about objects and women more about relationships.

Female writers use more pronouns (I, you, she, myself), whilst males prefer words that identify or determine nouns (a, the, that) and words that quantify them (one, two, more). These differing styles have previously been called “involved” and “informational”, respectively.

The algorithm within the program was initially trained on a few test cases to identify the most prevalent fingerprints of gender and of fiction and non-fiction. The algorithm can now be focused on new bodies of text. Strikingly, the distinctions between male and female writers are much the same as those that, even more clearly, differentiate non fiction-and fiction. The program can tell these two genres apart with 98% accuracy.

Stereotypes are generally based on fact. C

Women are more likely than men to adopt an “informational” style of written communication. F

The program is more accurate at identifying the gender of the writer than the fiction or non-fiction content of the passage. F

34. Sandford Group’s first end of year announcement since the takeover of SPX Inc placed much emphasis on the period of extreme transformation and development undergone by the company. Emphasis was placed on the admirable way that its employees had steered the company through a turbulent six months, and subsequent benefits that were being reaped, such as a steady growth of the Sandford brands in the marketplace. Whilst recognizing that the takeover had been undertaken as a way of increasing market share, rather than improving efficiency, the announcement made much of the substantial yet somewhat unintended cost reductions that had taken place. This was explained by the swift introduction of SPX’s computer systems which permitted a Group headcount cut and also the subletting of surplus office space.

The time since takeover has not always been easy for Sandford. T

The takeover achieved more for the company than was initially planned. C

The performance of the Sandford brands was poor prior to the takeover. C

35. Total stocks of most minerals in the earth’s crust are still large in relation to the current rates of use, and a high proportion of the minerals that are consumed in the production process could, in principle, be recycled. The technological and financial constraints on recycling such concentrations of minerals are considerable, however, and there is no guarantee that these constraints could be overcome. Substitution of abundant for scarce resources would avoid the problem, but such substitution is not always technologically feasible.

The technical constraints of recovering any mineral are considerable. F

Most of the minerals consumed in the production process can be economically recycled. F

It is wrong to assume that the substitution of abundant for scarce resources will create insurmountable technical problems on every occasion. T

36. The controversial new code on corporate governance has been reassessed and significantly changed in advance of publication. Following intense pressure from company directors many of the original proposals have been scrapped, and many others have been watered down to reduce the pressure of compliance on organizations.

Overall, the revisions have resulted in the removal of rules that restrict company behaviors in favor of the introduction of a recommendations-based approach, which does not set specific standards of behavior. The changes have highlighted the divide between company directors, who generally support the changes as vital to keep away from a culture of rule avoidance, and other shareholder groups who believe that a best practice approach lacks teeth and will not result in greater board accountability.

Following the revision, the code is now much more prescriptive in its approach to corporate governance. F

Company directors and shareholders are in agreement that something has to be done to improve processes of corporate governance. F/C

A culture of rule avoidance leads to less board accountability. C

37. The location of a shop operated by a charity in an affluent neighborhood could be deemed extremely advantageous because this increases the potential for a continuous supply of highly valuable donations. However, this may be counterbalanced by an exorbitant rent for the property. Of fundamental importance to the success of the shop is a dedicated group of volunteers who should sort through donations promptly to ensure that items are quickly made available for purchase, in order to promote financial prosperity. Volunteers and staff must be vigilant of thieves, to which these shops are particularly susceptible, usually due to a lack of security cameras or bar codes on the item.

The only factor affecting the financial success of a shop operated by a charity is its location. F

Shops operated by charitable organizations are particularly vulnerable to shoplifter if there are no security cameras or bar codes on items. T

It is less likely that shops operated by charities which are situated in affluent neighborhoods will have volunteers who are more dedicated, than those in less wealthy neighborhoods. C

38. The prospect of accepting negative feedback about ourselves elicits conflict, as we need to assess the immediate emotional costs of negative information about ourselves against the

long-term benefits of gaining useful feedback. Studies have confirmed what most managers seem to have known already, that the mood we in whilst receiving feedback often influences the relative weight people assign to emotional costs versus the informational benefits of receiving negative feedback. The studies that have been carried out have demonstrated that positive moods can function as a buffer and therefore enable people affected in this way to both accept, as well as better handle, the emotional costs of negative self-related information.

Managers are increasingly taking employees' moods into consideration when providing them with negative feedback regarding their performance.

Accepting negative feedback involves a trade-off between short-term and long-term costs and benefits. T

An individual's mood will have no effect on how negative feedback is received. C

39. Over the past decade there has been a steady growth in the holiday industry whilst the number of travel agencies has declined. This is due to the increasing number of customers who are booking their holidays online, because of a quicker and more financially viable service. However, specialist travel agencies, such as those focusing on particular regions or holiday activities, remain successful as they have an in-depth understanding of a region and the customers who go there. The staffs are also multilingual, and thanks to their specialized knowledge they can provide good deals, meaning that their prices are often lower than non-specialist travel agents and online companies.

A travel agent's specialist knowledge can be used to the financial benefit of the customer. T

It is not always more expensive for the customer to book holidays with a travel agent. T

More people are booking their holidays online rather than through a travel agent, even though it takes longer to find the right holiday this way. F

40. Significant advances in float furnace design and operation, in the development of glass compositions, and in the glass forming process itself have all played a role in the optimization of glass manufacturing. For example, thermodynamic modeling assists with the enhancement of glass composition and offers control over devitrification characteristics, and studies examining burner design, to ensure flames have maximum luminosity and impinge on the glass at the correct angle, aid the minimization of fuel consumption. The exploitation of such advanced research allows glass manufacturers to reduce their expenditure on fuel, decrease their defect rates and produce glass of the highest quality, all of which are important if they are to retain their commercial standing and customer loyalty.

Glass of a higher quality is produced when the float furnace is at its maximum temperature. C

The radiance of furnace flames has no direct impact on the amount of fuel used in the glass-forming process. C

Ensuring the flames come into contact with the glass at a particular point can reduce the amount of energy required in the glass manufacturing process.

41. Amateur scientists have long been attracted to the discipline of astronomy, and professional astronomers are frequently supportive of their contribution to the science. Indeed, amateur astronomers have often been the first to spot an uncharted comet or star. Until now, the required scientific equipment has, unfortunately, been largely very expensive, varying according to the intricacy and size of the apparatus. According to some scientists, however, the spread of new, cheap technology, particularly in information and data management, promises to dramatically change and facilitate amateur-professional interaction, and collaboration.

Amateur-professional collaboration will contribute to the advancement of astronomy.

In the past, all scientific equipment required for research in astronomy was very expensive.

Following the spread of new, and cheaper technology, more amateur scientists are collaborating with professionals.

42. Scientists believe we are experiencing a dramatic change in the overall climate system, verified by the 10-15 cm rise in sea levels over the last 100 years and the increases in severe weather conditions. Although climate change occurs naturally, scientists believe human activities have led to increased carbon dioxide, methane and nitrous oxide concentrations, leading to climate changes and, in turn, observed increases in sea levels, atmospheric temperatures, and erratic weather systems. This means that today's climate shift differs dramatically from previous shifts in climates in both magnitude and rate. Scientific research suggests that advancing sea levels, rising temperatures and severe weather conditions caused by climate change will result in a host of negative consequences such as a threat to international trade patterns, an increase in the movement of tropical disease, and an increased risk of forest fires and landslides.

Only the difference in velocity distinguishes current climate shifts from previous shifts. F

The enormity of alterations to our climate system has never been experienced by human beings before. T

People will catch more tropical disease due to climate change.